

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

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Notice of Classification and Price  
Adjustments for Picture Permit Imprints  
  
Docket No. R2012-7

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Comments of Stamps.com  
(April 17, 2012)

On March 28, 2012, the Postal Service proposed "Picture Permit Imprint Indicia" (hereinafter Picture Permit) as a preparation option, at a surcharge, for letters and cards in the categories of Presort First-Class and Standard. By Order No. 1302 (March 29, 2012), the Commission invited comments on that proposal. Stamps.com is pleased to submit these comments.

By offering preparation alternatives, Stamps.com works with mailers to upgrade mail and increase its effectiveness, including improving security. Using PC Postage technology, one alternative we offer is "Customized Postage," which incorporates preferred imagery in the indicia area, much as Picture Permit will, if it is approved. A difference is that Customized Postage is not eligible for use with any category of Standard mail. Therefore, although we do not oppose the proposal, we have an interest in it. More particularly, we believe Customized Postage *should be* eligible for use with Standard.

## I. Background

“In 1840, Great Britain radically reduced and simplified postage rates and introduced the practice of prepaying postage at a uniform rate irrespective of origin and destination by means of adhesive stamps. It would be difficult to exaggerate the impact of this change in the development of modern postal systems.”<sup>1</sup>

As time passed, volumes grew and mailing systems became more sophisticated. And, by virtue of size, situation, and interest, differences among mailers became more pronounced. To help make preparation processes more efficient, the use of postage meters became common and permit indicia, suited to high-speed printing presses, were allowed. More recently, PC Postage was developed, helping to bring smaller mailers into the computer age.

Mail preparation activities have resided primarily in the private sector, tapping its creativity along the way, and have to do with both increasing the effectiveness of the mail and controlling mailer costs. The former is the reason for the Customized Postage program,<sup>2</sup> which allows “customer-specific, customer-supplied images” to be part of the indicia.<sup>3</sup>

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<sup>1</sup> Michael A Crew, Paul R. Kleindorfer, and James I. Campbell Jr., “Postal reform: introduction,” in Crew, Kleindorfer, and Campbell (eds), *Handbook of Worldwide Postal Reform* (Cheltenham, UK and Northampton, MA, USA: Edward Elgar, 2008), p. 1.

<sup>2</sup> The Postal Service explains that “[t]he Customized Postage program allows authorized vendors to offer their customers the ability to design Postal Service-authorized postage consisting of customer-specific, customer-selected images aligned with Postal Service-approved indicia of postage payment” and that the program “has proven to be a popular means for mailers to personalize the correspondence and other mail that they send, and thus promotes the increased usage of the mail.” It describes Customized Postage as a “product [ ] used for the preparation, rather than conveyance, of mail.” Request of the United States Postal Service to Add Postal Products to the Mail

Stamps.com has advocated for the availability of Customized Postage to business mailers since the initial market test of our PhotoStamps® Customized Postage in 2004. Business images were first allowed in the Customized Postage program in 2006 in the wake of Congress passing an amendment we proposed to 18 U.S.C. 475. Since then, we have advocated allowing Customized Postage with bulk mailings. In 2007, we were allowed to offer PhotoStamps® Customized Postage for First Class Presort mailings on a test basis. In 2009, the test was deemed a success and we were allowed to continue, but our proposals to serve Standard have still not yet been accepted.

## **II. Current Situation and Stamps.com's Concern**

Regularly, mailers consider options that might increase the effectiveness of their mail. This helps all parties. Many mailers of First-Class, both Single-Piece and Presort (the latter a bulk category), have upgraded by applying Customized Postage. Stamps.com is one of several vendors that help with this option. Currently, however, the alternative of Customized Postage is not available to mailers of Standard. Their choices are thus limited.

The Postal Service's Picture Permit proposal alters the landscape in a significant way. Though limited to bulk mailers, it is available to mailers of *both* First-Class and Standard. Stamps.com believes that if mailers of Standard are to have the option of Picture Permit, they should also have the option of Customized Postage. The choice is now constrained. We believe a wider choice

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Classification Schedule in Response to Order No. 154, Foti Statement, Attachment D, at 1-2, March 10, 2009, Docket No. MC2009-19.

<sup>3</sup> See Statement of Thomas J. Foti at 4-5, June 23, 2008, Docket No. MC2008-1.

would improve the effectiveness of the mail and help both mailers and the Postal Service. We hope the Postal Service will work further with us on this matter.

Respectfully submitted,

*s/Seth Weisberg*

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